

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>November 02, 2011</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2007-286-WS</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u>2011-815</u>

**THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.**

**SUBJECT:**

DOCKET NO. 2007-286-WS - Application of Utilities Services of South Carolina, Incorporated for Adjustment of Rates and Charges and Modifications to Certain Terms and Conditions for the Provision of Water and Sewer Service - Discuss this Matter with the Commission.

**COMMISSION ACTION:**

There are two Motions from Utilities Services of South Carolina filed with this Commission, and they are essentially filed in the alternative. The first motion is a Motion to Preclude Testimony and to Strike Protests in the upcoming Remand Proceeding from the South Carolina Supreme Court, to be held on November 7, 2011. The second Motion is an Alternative Motion in Limine, which would allow non-parties to testify at the remand proceeding, but which would limit such testimony to matters remanded back to this Commission for consideration by that Court. The first Motion, if granted, would prevent members of the public from participating in the hearing, and would further strike their submitted written materials from the public files. Granting the Alternative Motion in Limine would allow non-party public participation in the Remand hearing, but would limit testimony to the issues sent back to the Commission by the Supreme Court and described in Commission Order No. 2011-542 and the Notice of Hearing in this Docket. I move that we deny the Motion to Preclude Testimony and that we grant the Alternative Motion in Limine as I will explain.

Clearly, the November 7, 2011, hearing will allow Utilities Services a fair and meaningful opportunity to respond to Commission questions regarding neighborhood-by-neighborhood data and the reasonableness of the Company's payments to an affiliated entity. However, the Supreme Court also held in its opinion that the Commission could consider customer testimony that the utility's water quality had not improved in resident's individual neighborhoods, and that capital improvements had not been made when determining whether to credit the utility with the expenditures for capital improvements. The Court also stated that the Commission could rely on non-party testimony to determine whether or not the presumption of reasonableness of expenses had been overcome. Also, as we stated in Order No. 2011-542, the Court directed this Commission's attention to the Hilton Head Plantation case, which allowed this Commission to "receive any other evidence as it be advised" on remand.

Mr. Chairman, our Order No. 2011-363 held that the Company had to provide testimony on the following matters, as listed by the Supreme Court:

1. Specific capital improvements by project and dollar amount that the Company made on a neighborhood-by-neighborhood basis from January 1, 2005 through December 31, 2006, and how these expenditures contributed to improved service;
2. Specific ongoing operations programs by project and dollar amount instituted from January 1, 2005 through December 31, 2006, and how these expenditures contributed to improved service; and
3. Information comparing Bio-Tech's prices related to sludge hauling to the prices of Bio-Tech's competitors for the same service during the period January 1, 2006 through December 31, 2006.

The Company has prefiled testimony and exhibits related to these matters. Mr. Chairman I move that we allow members of the public to participate in the November 7, 2011 hearing, but that we issue instructions that any testimony and/or exhibits must be limited to the three topics that I just listed. Any other testimony and/or exhibits will be considered to be beyond the scope of the proceeding and will be disallowed as a part of the record in this case. In addition, the Court limited a resident's testimony on whether capital improvements were made to his or her own neighborhood. I move that we adopt this ruling as well.

Accordingly, again, I move that we deny the Motion to Preclude Testimony and Strike Protests, but that we grant the Alternative Motion in Limine as stated.

PRESIDING: Wright

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>
MITCHELL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Attending the Eastern Utility Rate School in Clearwater, Florida

(SEAL)

RECORDED BY: J. Schmieding

